GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3806
ANSWERED ON:22.12.2015
Closed Fertilizer Units
Naik Prof. Seetaram Ajmeera;Somaiya Dr. Kirit

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of both public sector and private sector fertilizer units in the country which are in operation or closed, sector- wise;

(b) the fertilizer produced during each of the last three years and the current year;

(c) the steps being taken to supply gas for the production of fertilizers and the steps being taken to revive the closed fertilizer units in the country in future;

(d) whether it is true that there is huge shortage of fertilizers in the country and farmers are facing difficulties to get fertilizers, if so, the details thereof; and

(e) the measures being taken by the Government to meet the shortage and maintain supply of urea to the farmers of the country including Maharashtra?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a) :The details of both public sector and private sector major fertilizer units in the country, which are in operation are at Annexure-I and the details of Public sector undertakings(PSUs) which are closed at Annexure-II.

(b) :The production of major fertilizers during each of the last three years and current year 2015-16 (April to November 2015) are given below:-

(Figure In LMT)

Year Urea DAP Complexes
2012-13 225.75 36.47 61.80
2013-14 227.15 36.11 69.13
2014-15 225.85 34.44 78.32
2015-16
(Apr. to Nov.15) 161.99 21.93 57.69

(c): Government has implemented a Gas pooling mechanism (domestic and RLNG) to supply gas for production of Fertilizer (Urea) in the country . This pooled gas is made available at Uniform delivered price to all gas grid connected fertilizer (Urea) units as per their gas requirement. In turn, it will help in full capacity utilization of individual fertilizer plant.

FCIL has five units at Sindri, Talcher, Ramagundam, Gorakhpur & Korba and HFCL has three units at Barauni, Haldia and Durgapur. These units were closed during the period 1990-2002. Government of India decided in September 2002, to close operations of all the fertilizer units of FCIL and HFCL.

In 2008, Cabinet approved to revive FCIL and HFCL units subject to non-recourse to Government funding. The revival of these closed units would be through nomination route by PSUs and through bidding route by private sector. In 2011, CCEA had approved the Draft Rehabilitation Scheme for revival of all the Units of FCIL and HFCL. Revival on nomination basis of Talcher Unit by the consortium of M/s. Rashtriya Chemical & Fertilizers Limited (RCF), M/s Coal India Limited (CIL) and M/s Gas Authority of India Limited (GAIL), revival of Ramagundam Unit by M/s. Engineers India Limited (EIL) and M/s. National Fertilizers (NFL) Limited and revival of Sindri unit by M/s Steel Authority of India Limited (SAIL). Gorakhpur & Korba units of FCIL and Durgapur, Haldia, Barauni of HFCL through bidding route.

CCEA in its meeting held on 9.5.2013, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at positive net worth. This enabled FCIL to get de-registered from the purview of Board for Industrial and Financial reconstruction (BIFR).

To fast track revival the Cabinet in its meeting held on 31.3.2015 approved revival of Barauni unit and Gorakhpur and Sindri unit on

21.05.2015 through 'bidding route' on revised terms by providing identified land for setting up of a 1.3 million metric Tonne Urea Ammonia plant to successful bidder on a lease of 33 years (extendable for more time) without any encumbrances, instead of providing the land on 'right to use' basis as approved earlier by CCEA in 2011.

To oversee the revival process of Gorakhpur, Sindri and Barauni units the Cabinet also approved constitution of an Empowered Committee under the Chairmanship of CEO, NITI Aayog.

(d)& (e): The details of availability and sales of fertilizers (Urea, DAP, MOP & NPK) during the current year 2015 (upto November) are given as below:

<Figures in LMT>

AVAILABILITY & SALES OF FERTILIZERS DURING CURRENT , 2015 UPTO
NOV. 2015

PRODUCT	AVAILABILITY	SALES
UREA	218.4	211.33
DAP	78.65	68.70
MOP	21.34	16.83
NPK	69.90	58.63

It can be seen from the above table that availability of fertilizers against sales is adequate and sufficient.

To meet the shortage and maintain supply of urea to the farmers of the country including Maharashtra following measures have been taken:-

(i) The month-wise demand has already been assessed and projected by the Department of Agriculture, Co-operation and Farmers Welfare (DAC&FW) in consultation with the State Governments before commencement of current cropping season.

(ii) On the basis of month-wise & state-wise projection given by DAC&FW, Department of Fertilizers is allocating sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitoring the availability through following system: -

(a) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS).

(b) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

(c) Regular Weekly Video Conference is conducted jointly by of Agriculture, Cooperation and Farmers Welfare (DAC&FW), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

(d) The gap between demand (requirement) and production is met through import.

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